



**Interim Management Discussion and Analysis¹
For
NORTHISLE COPPER AND GOLD INC.**

Containing Information up to and including November 27, 2012

OVERALL PERFORMANCE

Northisle Copper and Gold Inc. ("Northisle" or the "Company") is a mineral exploration company incorporated on August 3, 2011 in the Province of British Columbia, Canada. The Company's principal business activity is the exploration and development of its North Island Project on Vancouver Island. The North Island Project is situated approximately 15-40 kilometres southwest of Port Hardy and contains the Hushamu Deposit and five other partially explored copper-gold porphyry occurrences. Its head office is located at Suite 2050 – 1111 West Georgia Street, Vancouver, B.C. The Company's common shares trade on the TSX Venture Exchange under the symbol NCX.

Highlights during the period include:

- In September and October of 2012 the Company completed two private placements for total gross proceeds of \$1,021,870. Net proceeds of the financings will be used to complete the necessary engineering studies required for a Preliminary Economic Assessment on the Company's Hushamu Deposit.
- In July 2012 the Company released the initial results of a NI 43-101 Resource Estimate on its Hushamu Deposit. The Indicated Mineral Resource contains 1.4 Billion lbs copper, 2.8 million ozs gold, 65.7 million lbs molybdenum, or 3.0 billion lbs Copper Equivalence (Cu Eq) in the Base Case scenario at a 0.30% Cu Eq cutoff grade.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company prepares its financial statements in accordance with generally accepted accounting principles as defined in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and to require publicly accountable enterprises to apply these standards effective for years beginning on or after January 1, 2011. Accordingly, the condensed interim consolidated financial statements have been prepared in accordance with IFRS and interpretations of the International Financial Reporting Interpretations Committee.

RESULTS OF OPERATIONS

Nine months ended September 30, 2012

The Company's loss for the nine months ended September 30, 2012 ("the **Current Period**") was \$589,170. The results were largely influenced by management's decision to initiate a \$1.5 million (subsequently expanded to \$2.3 million) exploration program at the Company's North Island Project in British Columbia.

¹ Note to Reader

This Interim Management Discussion and Analysis ("Interim MD&A") should be read in conjunction with the Company's interim financial statements for the nine months ended September 30, 2012.

Forward-Looking Information

When used in this document, words like "anticipate", "believe", "estimate" and "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objects and goals for the Company, and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such statements.

Currency - Unless otherwise stated, all currency amounts are stated in Canadian dollars.

The Company capitalizes all acquisition and exploration costs until the property to which those costs relate is placed into production, sold or abandoned. During the Current Period the Company spent \$2,591,263 to develop its North Island Project as outlined in the schedule below.

North Island Copper Gold Property	December 31, 2011	Additions	September 30, 2012
Acquisition cost	\$ 14,553,117	\$ -	\$ 14,553,117
Camp operations	45,813	231,648	277,462
Claims costs	9,268	26,003	35,271
Community engagement	12,341	17,722	30,064
Drilling	-	1,132,482	1,132,482
Engineering and geological	184,540	509,646	694,186
Environmental studies	53,694	180,203	233,896
Prospecting	53,233	395,468	448,701
Wages	30,261	174,067	204,327
Mineral Exploration Tax Credit	-	(75,976)	(75,976)
Balance	\$ 14,942,267	\$ 2,591,263	\$ 17,533,530

Three months ended September 30, 2012

The Company experienced a loss for the three months ended September 30, 2012 (“the **Current Quarter**”) of \$191,866. As previously discussed in this Interim MD&A, the results were largely influenced by management’s decision to initiate a \$1.5 million (subsequently expanded to \$2.3 million) exploration program at the Company’s North Island Project in British Columbia.

EXPLORATION UPDATE

2011-2012 Exploration Program

In August 2011 the Company initiated a Phase One exploration program at the North Island Project. The program was intended to:

- Update the resource model of the Hushamu Deposit.
- Resample and analyse of the historic core for molybdenum and rhenium.
- Test for extensions of Hushamu deposit with 4,000m of drilling.
- Complete 100 km of IP geophysical surveying to test several areas of the property.

The Phase One program was completed in May 2012. The original budget of \$1.5 million was expanded to \$2.3 million to allow for additional 1400 metres of drilling to test the southeast, northwest, and northern extensions of the deposit and for ground follow-up of the Induced Polarization (IP) anomalies detected during this year’s program.

Induced Polarization Survey

An Induced Polarization (IP) survey carried out on the eastern Rupert Block of the North Island Project located two induced polarization chargeability anomalies (as defined by greater than 3 times background) in areas of extensive glacial sedimentary cover. The Rupert Block is located approximately 40 kilometres from the Hushamu Deposit.

The first anomaly is 800 metres wide, remains open to the west, and is 300m wide on the closest line located 1000m to the east. Historical drill holes located on the far northern flank of this anomaly intersected silicified, chloritically and pyrite altered volcanic rocks. The second anomaly occurs on three lines spaced one kilometre apart and remains open to the north on all of the lines.

An IP survey carried out northwest of the Hushamu Deposit extended the chargeability anomaly associated with the deposit for a distance of 2 kilometres along the northwest trend of the deposit. The anomaly is at least 800 metres wide and remains open to the southwest on all but one line. The anomaly occurs between the Hushamu deposit and the Hep Occurrence in an area of generally subdued relief with little rock outcroppings. The Hep Occurrence was last drilled in the early 1990s and contains narrow zones of copper mineralization. Except in the immediate vicinity of the Hushamu deposit there has been no drilling in the newly located IP anomaly.

The IP survey also detected two IP anomalies in the NW Expo area of the North Island Project. One anomaly is at least 600 metres wide and is open to the south and east. The only reported drilling in this anomaly was a single hole that was abandoned before reaching bedrock. The other anomaly lies immediately east of the NW Expo Showing and was traced easterly for 1 kilometre and is open to the north. Three holes drilled in the central part of the anomaly intersected alteration similar to that at the Hushamu deposit with one hole having copper values in the 100 to 500 ppm range over a 200 metre interval.

Drill Program²

The phase one program has successfully shown the Hushamu Deposit is open to the southeast for a minimum of 200 metres and possibly over 500 metres. Drill hole H12-09 shows the deposit remains open to the northwest where this year's IP survey located a chargeability anomaly extending northwesterly for 2km from the hole. Drill holes H12-07 and H12-08 indicate the mineralization is open, but weakening in this direction.

The results of the drill program continue to indicate significant amounts of rhenium associated with the copper, gold, and molybdenum mineralization. Rhenium is a metal used to increase the melting temperature of stainless steel. Its current market price is \$4 per gram.

NI 43-101 Mineral Resource

In July 2012 the Company announced the initial **NI-43-101 Resource Estimate** on its Hushamu copper - gold - molybdenum (Cu-Au-Mo) porphyry deposit.

The Indicated Mineral Resource contains **1.4 Billion lbs copper, 2.8 million ozs gold, 65.7 million lbs molybdenum, or 3.0 billion lbs Copper Equivalence (Cu Eq)** in the Base Case scenario at a 0.30% Cu Eq cutoff grade. The Indicated Mineral Resource also contains 167,350 kgs of rhenium. Although the rhenium grades are encouraging, they have not been used in the Cu Eq calculations but could add to the overall economics.

In addition to the Indicated Mineral Resource, an Inferred Mineral Resource containing 205 million tonnes averaging 0.39% Cu-Eq has been identified. The Inferred Mineral Resource contains 0.8 billion lbs copper, 1.7 million ozs gold, 34.9 Million lbs molybdenum, or 1.8 billion lbs Cu-Eq in the Base Case Scenario at a 0.30% Cu Eq cutoff grade. The Inferred Mineral Resource also contains 78,135 kgs of rhenium.

The resource estimate is based on 136 drill holes totaling 31,580 metres including 18 holes recently completed by Northisle, five verification holes drilled within the current resource in 2005 and 2008 by Lumina Resource Corp and IMA Exploration Inc., and 113 holes drilled in the period 1970 through 1994 by Utah International Ltd., BHP-Utah Mines Ltd., and Moraga Resources Ltd. Over the past year the Company has re-logged the historical holes and re-assayed approximately 80% of the historical core for Re and where historical assays were missing for Mo and Au. Additionally, 10 historical holes were resampled and assayed for all metals of interest. The results of the re analysis were statistically similar to the original analyses. The re-logging, geological interpretation and re-assaying of the historical holes and the recent Northisle drilling has been independently reviewed by Scott Casselman P.Geo. The resource estimate was completed by Gary Giroux of Giroux Consultants Ltd. A full technical report co-authored by Scott Casselman and Gary Giroux is available on Sedar. The following table shows the tonnages and grades for the Hushamu Deposit at a range of Copper Equivalent cutoff grades (COG%).

² Analysis of core samples was carried out at ALS Group's North Vancouver facility. Gold analysis was by fire assay methods with atomic absorption finish. Analysis for copper, molybdenum and rhenium was by four acid digestion with ICP finish. QA / QC included insertion of standards and blanks in to the sample stream and duplicate samples on quartered core. Five percent of sample pulps were sent to Acme Analytical Laboratories Ltd for check analysis.

Hushamu Indicated Mineral Resource – Tonnes and Grade

Cut-off	Tonnes	Grade > Cut-off					Contained Metal			
		Cu (%)	Au (g/t)	Mo (%)	Re (ppm)	CuEq (%)	Cu contained Blbs	Au contained Mozs	Mo contained MLbs	Re contained (Kg x 1000)
0.10	568,820	0.16	0.21	0.009	0.50	0.34	2.0	3.8	106.6	284
0.15	520,380	0.16	0.22	0.009	0.52	0.36	1.8	3.7	102.1	270.6
0.20	460,400	0.18	0.24	0.009	0.54	0.38	1.8	3.6	93.4	248.6
0.25	385,430	0.19	0.26	0.010	0.55	0.41	1.6	3.2	81.6	212.0
0.30	304,270	0.21	0.29	0.010	0.55	0.45	1.4	2.8	65.7	167.4
0.35	229,080	0.23	0.32	0.010	0.56	0.49	1.2	2.4	50.0	128.3
0.40	168,110	0.25	0.35	0.010	0.56	0.53	0.9	1.9	36.7	94.1
0.45	120,450	0.28	0.38	0.010	0.55	0.57	0.7	1.5	26	66.3
0.50	85,060	0.30	0.41	0.010	0.55	0.62	0.6	1.1	18	46.8

*** Copper equivalent calculated using US\$2.50/lb Cu, US\$1100/oz Au and US\$14.00/lb Mo and is not adjusted for mining and metallurgical recoveries as these remain uncertain. The formula used is as follows: $CuEq = \frac{(Cu\% \times 22.0462 \times 2.50) + (Au \text{ g/t} \times 1100.00 / 31.1035) + (Mo\% \times 22.0462 \times 14.00)}{(22.0462 \times 2.5)}$*

Rhenium values have not been used in the cutoff grade or Cu Equivalent calculations

Hushamu Inferred Mineral Resource – Tonnes and Grade

Cut-off	Tonnes	Grade > Cut-off					Contained Metal			
		Cu (%)	Au (g/t)	Mo (%)	Re (ppm)	CuEq (%)	Cu Contained (Blbs)	Au Contained (Mozs)	Mo Contained (MLbs)	Re Contained (Kgx1000)
0.10	1,036,400	0.11	0.13	0.005	0.27	0.22	2.5	4.3	118.8	279.8
0.15	725,750	0.13	0.16	0.006	0.32	0.26	2.1	3.7	97.6	232.2
0.20	494,740	0.14	0.19	0.007	0.36	0.30	1.5	3.0	74.2	178.1
0.25	320,860	0.16	0.22	0.007	0.37	0.35	1.1	2.3	51.6	118.7
0.30	205,620	0.18	0.26	0.008	0.38	0.39	0.8	1.7	34.9	78.1
0.35	126,770	0.20	0.29	0.008	0.38	0.43	0.6	1.2	22.4	48.2
0.40	69,640	0.21	0.33	0.008	0.38	0.47	0.3	0.7	12.6	26.5
0.45	34,720	0.23	0.37	0.008	0.37	0.52	0.2	0.4	6.2	12.8
0.50	16,040	0.26	0.42	0.008	0.38	0.57	0.1	0.2	2.8	6.1

*** Copper equivalent calculated using US\$2.50/lb Cu, US\$1100/oz Au and US\$14.00/lb Mo and is not adjusted for mining and metallurgical recoveries as these remain uncertain. The formula used is as follows: $CuEq = \frac{(Cu\% \times 22.0462 \times 2.50) + (Au \text{ g/t} \times 1100.00 / 31.1035) + (Mo\% \times 22.0462 \times 14.00)}{(22.0462 \times 2.5)}$*

Rhenium values have not been used in the cutoff grade or Cu Equivalent calculations

The Company is very pleased with the initial resource estimate for the Hushamu Deposit. The grades and size of the resource compare favourably with other deposits in British Columbia that have recently been placed into production or are under construction. Also encouraging is that the deposit remains open for expansion both to the northwest based on recent Induced polarization survey results and to the southeast based on recent drilling. The next step is completing the necessary engineering studies required for a Preliminary Economic Assessment.

Quality Control

Technical information in this Interim MD&A has been prepared under the direction of John McClintock, P.Eng., President and CEO the Company and a Qualified Person as defined by National Instrument (NI) 43-101.

RISKS AND UNCERTAINTIES

The risks and uncertainties faced by the Company are substantially unchanged from those disclosed in the Company's Annual MD&A dated April 19, 2012.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet management's expectations. All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur in the future, are forward looking statements. Forward looking statements are not guarantees of future performance and actual results may differ materially. Forward-looking statements included or incorporated by reference in this document include, without limitation, statements with respect to:

- The Company's assumptions and estimates used in its drill results, as well as the potential resource estimates and interpretations from those results;
- The progress, potential and uncertainties of the Company's drill programs;
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties; and
- The Company's adoption of IFRS.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to:

- fluctuations in the currency markets;
- fluctuations in the prices of minerals and other commodities;
- changes in government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which the Company may carry on business in the future;
- risks associated with mining activities;
- the speculative nature of exploration, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues; and
- the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programs.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of Northisle and is derived from unaudited quarterly financial statements prepared by management. Northisle's interim financial statements are prepared in accordance with IFRS.

Quarter ended	Revenue	Net Loss	Basic and diluted Loss per share
September 30, 2012	\$ Nil	\$ 191,866	\$ 0.004
June 30, 2012	Nil	199,484	0.004
March 31, 2012	Nil	197,820	0.004
December 31, 2011	Nil	373,403	0.01
September 30, 2011	Nil	26,750	26,750

Quarterly results will vary in accordance with the Company's exploration and financing activities. Results for the three months ending September 30, 2011 were not reflective of operations in subsequent periods due to the Plan of Arrangement completed on October 17, 2011.

Mineral exploration is typically a seasonal business, and accordingly, the Company's administrative expenses and cash requirements will fluctuate depending upon the season. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favourable terms, the Company's activity levels and the size and scope of planned exploration projects will also increase.

Other factors that affect the Company's reported quarterly results are share-based compensation expense associated with the issuance of share purchase options and write-downs of capitalized mineral property interests. At the end of each reporting period, the Company reviews the carrying amounts of its mineral property costs to determine whether those assets have suffered an impairment. The size and timing of these impairments cannot typically be predicted.

LIQUIDITY

The Company's principal investing activities during the Current Period were the expenditures incurred on its North Island Project in British Columbia (\$2,591,263).

The Company's working capital at September 30, 2012 was \$847,016. On October 11, 2012 the Company completed a non-brokered private placement of 1,179,500 flow-through shares at \$0.17 per share for an additional \$200,515.

The Company believes it has the working capital to complete the necessary engineering studies required for a Preliminary Economic Assessment. The Company will be required to raise additional funds to undertake all of its future exploration and development activities and recognizes there will be risks involved that may be beyond its control. Actual funding requirements may vary from those planned due to a number of factors, including the progress and results of the engineering studies and the Preliminary Economic Assessment.

CAPITAL RESOURCES

The Company has no operations that generate cash flow and its long term financial success is dependent on management's ability to discover and develop economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration and development programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the company's track record and the experience and caliber of its management.

TRANSACTIONS WITH RELATED PARTIES

Some of Northisle's administrative and geological operations are carried out indirectly through Ravenwolf Management Inc., a private company in which Northisle has a 33.3% interest. At September 30, 2012 the Company owed Ravenwolf \$8,467. Ravenwolf provided the following services for the nine month period ended September 30, 2012:

	2012
Mineral property services	\$ 174,066
Office	67,698
Rent	65,146
Salaries	255,011
Total	\$ 561,921

These transactions were measured at the exchange amounts agreed to by the parties.

Remuneration for key management personnel for the nine months ended September 30, 2012 was:

	2012
Salaries	\$ 215,000
Total	\$ 215,000

FINANCIAL AND OTHER INSTRUMENTS

At present, the Company's most significant financial instruments are cash, accounts receivable, and accounts payable. The recorded amounts of these financial instruments approximate their fair value.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Northisle's general and administrative expenses are provided in the Company's Condensed Interim Consolidated Financial Statements for the nine months ended September 30, 2012 that is available on Northisle's website at www.northisle.ca or on its SEDAR Page Site accessed through www.sedar.com.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without nominal or par value. As at November 27, 2012 there were 57,137,983 common shares issued and outstanding.

Stock Options

As at November 27, 2012, the following stock options are outstanding:

Share purchase options outstanding, by exercise price	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Number Exercisable (Vested)
\$0.04 - \$0.22	1,244,334	\$ 0.13	1.55	1,244,334
\$0.30	1,805,000	0.30	4.15	601,667
	3,049,334	\$ 0.23	3.00	1,846,001

Share Purchase Warrants

As at November 27, 2012, the following warrants are outstanding:

Expiry Date	Number Outstanding	Weighted Average Exercise Price
September 2, 2013	278,570	\$ 0.35
September 11, 2014	2,417,750	0.25
	2,696,320	\$ 0.26

In addition to the above, holders of outstanding Western Copper warrants ("Warrants") immediately prior to October 17, 2011 are entitled to receive, upon exercise of each such Warrant at the same original exercise price and in accordance with the terms of such Warrant, one common share of Western, 0.5 of a common share of Copper North, and 0.5 of a common share of the Company. The Company is entitled to receive 10% of the proceeds from each Warrant exercised. At November 27, 2012 there were 6,847,750 Warrants outstanding with a weighted average exercise price of \$3.22 and a weighted average remaining contractual life of 0.21 years.

APPROVAL

The Board of Directors of Northisle has approved the disclosure contained in this Interim MD&A.

ADDITIONAL INFORMATION

Additional information is available for viewing at the Company's website www.northisle.ca or on the sedar website www.sedar.com.